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Fiscal Note

Drafting Number: LLS 22-0974 Date: April 18, 2022
Prime Sponsors: Rep. Sirota; Pelton Bill Status: House HHS
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Bill Topic: CHILDREN'S MENTAL HEALTH PROGRAMS

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill requires the Department of Early Childhood to contract with a Colorado-based nonprofit entity to provide children's mental health programs. It will increase state expenditures through FY 2025-26.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$2.0 million to the Department of Early Childhood.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 22-1369

Table with 4 columns: Category, Budget Year FY 2022-23, Out Year FY 2023-24, Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund, Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts.

1 FY 2022-23 funding will be spent over four fiscal years. Money in the Economic Recovery and Relief Cash Fund consists of federal ARPA funds.

## Summary of Legislation

By November 1, 2022, the Department of Early Childhood (CDEC) must contract with a Colorado-based nonprofit entity to provide children's mental health programs. The entity must have previous and current experience serving children and use curriculum outlined in the bill.

The contract entity is required to

- perform readiness assessments, provide training, and monitor program implementation;
- provide ongoing quality assessments and improvement recommendations;
- provide the CDEC with site-specific and statewide process and outcome evaluations of children's mental health programs; and
- annually prepare and submit to the CDEC an evaluation of the outcomes of all of the children's mental health programs implemented.

The bill requires the General Assembly to appropriation \$2.0 million in FY 2022-23 from the Economic Recovery and Relief Cash Fund. CDEC may use up to 5 percent of funding for implementation costs.

## State Expenditures

The bill increases state cash fund expenditures in CDEC by \$2.0 million through FY 2025-26 from the Economic Recovery and Relief Cash Fund and General Fund. Beginning in FY 2024-25, personal services costs will be paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 22-1369**

	FY 2022-23	FY 2023-24
<b>Department of Early Childhood</b>		
Personal Services	\$17,769	\$17,769
Children's Mental Health Program Contract	\$1,964,462	-
Centrally Appropriated Costs <sup>1</sup>	\$4,598	\$4,598
<b>Total Cost</b>	<b>\$1,951,289</b>	<b>\$22,367</b>
<b>Total FTE</b>	<b>0.3 FTE</b>	<b>0.3 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Early Childhood.** Over four fiscal years, the CDEC requires 0.3 FTE Contract Administrator to manage the procurement process for program, develop and administer contracts, and manage accounting and reporting. This staff will be paid from the cash fund in FY 2022-23 and FY 2023-24, and the General Fund in FY 2024-25 and FY 2025-26.

- **Children's Mental Health Program Contract.** The remainder of funding will be spent contracting for children's mental health programs.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

The bill requires an appropriation of \$2.0 million from the Economic Recovery and Relief Cash Fund and 0.3 FTE to the Department of Early Childhood. It is assumed that the CDEC will require roll forward spending authority for this appropriation through FY 2023-24.

## State and Local Government Contacts

Health Care Policy and Financing  
Information Technology

Human Services  
Law